

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:829
ANSWERED ON:17.08.2007
LOAN TO EXPORTERS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have announced reduction in loan amount from banks for exporters;
- (b) if so, whether such export areas have been earmarked; and
- (c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a), (b) & (c) : Reserve Bank of India issued circular no DBOD. Dir(Exp) BC.No. 22/04.02.01/2007-08 on July 13, 2007 regarding provision of interest subvention of 2 percentage points per annum to all scheduled commercial banks in respect of rupee export credit provided to following categories of exporters:

I. Specified sectors

- (i) Textiles (including Handlooms)
- (ii) Readymade Garments
- (iii) Leather Products
- (iv) Handicrafts
- (v) Engineering Products
- (vi) Processed Agricultural Products
- (vii) Marine Products
- (viii) Sports Goods
- (ix) Toys

II. All exporters in the Small and Medium (SME) sector.

Accordingly, the banks would now charge interest not exceeding BPLR minus 4.5% on pre- shipment credit upto 180 days and post-shipment credit upto 90 days on the outstanding export credit for the period April 1, 2007 to December 31, 2007 from these categories of exporters (as against not exceeding BPLR minus 2.5% for other categories of exporters).